

## Message Text

CONFIDENTIAL

PAGE 01 TOKYO 00666 131041Z  
ACTION EB-08

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 CIAE-00 DODE-00  
NSAE-00 NSCE-00 SSO-00 USIE-00 INRE-00 AGRE-00  
CEA-01 COME-00 FRB-03 H-01 INR-07 INT-05 L-03  
LAB-04 PA-01 CTME-00 AID-05 SS-15 STR-06 ITC-01  
TRSE-00 PRS-01 SP-02 SOE-02 OMB-01 DOE-11 /113 W  
-----005296 131046Z /10

O R 130940Z JAN 78  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC IMMEDIATE 4348  
INFO AMEMBASSY ANKARA  
AMEMBASSY ATHENS  
AMEMBASSY BERN  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY CANBERRA  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY HELSINKI  
USMISSION GENEVA  
AMEMBASSY LISBON  
AMEMBASSY LONDON  
AMEMBASSY LUXEMBOURG  
AMEMBASSY MADRID  
AMEMBASSY OSLO  
AMEMBASSY OTTAWA  
AMEMBASSY PARIS  
AMEMBASSY REYKJAVIK  
AMEMBASSY ROME  
AMEMBASSY STOCKHOLM  
AMEMBASSY THE HAGUE  
AMEMBASSY VIENNA  
"AMEMBASSY WELLINGTON 1282  
CINCPAC HONOLULU HI

C O N F I D E N T I A L TOKYO 0666  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 00666 131041Z

USMTN ALSO FOR USMISSION

OECD ALSO FOR EMBASSY

USEEC ALSO FOR EMBASSY

CINCPAC FOR AMBASSADOR MANSFIELD

E.O. 11652: GDS

TAGS: ETRD, JA, US

SUBJECT: US-JAPAN TRADE TALKS

1. SUMMARY: STR STRAUSS WON SIGNIFICANT NEW GAINS FROM JAPAN ON CURRENT ACCOUNT POLICY, ACCESS FOR IMPORTS, AND CONTRIBUTIONS TO THE MTN, AND OPENED THE WAY FOR GREATER GAINS IN THE FUTURE. END SUMMARY.

2. AFTER TWO DAYS OF NEARLY ROUND-THE-CLOCK TALKS THAT PROVED TO BE A WORTHY CHALLENGE FOR AMB. STRAUSS' NEGOTIATING SKILLS, THE U.S. TRADE POLICY MISSION TO JAPAN, IN THE END, SUCCEEDED IN MAKING MAJOR STRIDES IN REDEFINING OUR ECONOMIC RELATIONSHIP WITH JAPAN. IN AGREEING TO TAKE CONCRETE STEPS IN A NUMBER OF AREAS OF IMMEDIATE AND LONGER-TERM INTEREST TO THE U.S., DESPITE ENTRENCHED DOMESTIC INTERESTS, THE GOJ HAS GIVEN CLEAR EXPRESSION OF POLITICAL WILL TO OPEN THE WAY TO A NEW AND EQUITABLE U.S.-JAPAN TRADE RELATIONSHIP. THE STRAUSS MISSION SUCCEEDED IN GAINING GOJ ACTIVE COOPERATION IN ARRESTING THE DRIFT TOWARDS FRACTIOUSNESS IN OUR RELATIONS, WHICH IF LEFT UNTENDED, COULD UNDERMINE THE OVER-ALL RELATIONSHIP TO THE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TOKYO 00666 131041Z

DETRIMENT OF THE FREE WORLD.

3. THE JOINT STATEMENT BY AMB. STRAUSS AND MINISTER USHIBA (SEPTTEL) RECORDS SUBSTANTIAL PROGRESS IN FOUR MAJOR AREAS: A) IT SPELLS OUT JAPAN'S SEVEN PERCENT REAL GROWTH RATE TARGET; B) IT SPEELS OUT JAPAN'S INTENTION TO WORK TOWARDS BRINGING ITS CURRENT ACCOUNT SURPLUS INTO EQUILIBRIUM AND WILLINGNESS TO ACCEPT A DEFICIT; C) IT STATES THAT, IN THE MTN, JAPAN WILL PLACE ACCESS TO ITS OVER-ALL ECONOMY ON AN EQUAL FOOTING WITH THOSE OF ITS MAJOR TRADING PARTNERS; D) IT SPECIFIES A NUMBER OF IMMEDIATE ACTIONS DESIGNED TO BELIE THE IMPRESSION THAT JAPAN IS A CLOSED MARKET, INCLUDING THE DISPATCH OF SEVERAL BUYING MISSIONS TO THE U.S., ACTIVE SUPPORT FOR JOINT TRADE FACILITATION COMMITTEE, AND PERMITTING U.S. EXPORTERS ENHANCED OPPORTUNITIES TO SELL BEEF AND CITRUS FRUIT IN JAPAN. IN ADDITION, THE GOJ REAFFIRMED ITS COMMITMENT TO PUSH VIGOROUSLY FOR A SUCCESSFUL CONCLUSION OF THE MTN BY JULY AND, IN WHAT IS POTENTIALLY A FAR REACHING POLICY CHANGE, STATED

ITS INTENTION TO CONDUCT A SWEEPING REVIEW OF ITS  
RESTRICTIVE FOREIGN EXCHANGE CONTROL SYSTEM.

4. THE STRAUSS MISSION BRINGS TO A CLOSE A PERIOD  
OF NEAR CONFRONTATION IN U.S.-JAPAN ECONOMIC  
RELATIONS. FOLLOW-UP WILL BE NECESSARY TO PREVENT  
BACK-SLIDING. TO THIS END, BOTH SIDES AGREED THAT  
FURTHER CONSULTATIONS WOULD BE APPROPRIATE AT THE  
SUB-CABINET LEVEL THIS SPRING AND AGAIN BETWEEN  
MINISTER USHIBA AND AMBASSADOR STRAUSS NEXT OCTOBER.

5. AMB. STRAUSS DID NOT SEE THIS CABLE BEFORE DEPARTING.  
MANSFIELD

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 jan 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978TOKYO00666  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780020-0154  
**Format:** TEL  
**From:** TOKYO USMTN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780163/aaaacbst.tel  
**Line Count:** 128  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 01aa63e3-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 03 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3775405  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** US-JAPAN TRADE TALKS  
**TAGS:** ETRD, JA, US  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odhc://SAS/SAS.dbo.SAS\_Docs/01aa63e3-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014